

DAILY REPORT

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PRC INTERNATIONAL AFFAIRS
UNITED STATES

B 1

PRESIDENT CARTER'S GOVERNMENT RESHUFFLE NOTED

OW201214 Beijing XINHUA in English 1203 GMT 20 Jul 79 OW

[Text] Washington, July 19 (XINHUA)--President Carter continued his government reshuffle plan today by accepting the resignation of Health, Education and Welfare Secretary Joseph A. Califano and Treasury Secretary Michael Blumenthal. He appointed Secretary of Housing and Urban Development Patricia Roberts Harris to succeed Califano, and Federal Reserve Chairman William Miller to succeed Blumenthal. The President also accepted the resignation of Attorney General Griffin Bell.

Carter announced yesterday the appointment of Hamilton Jordan as White House chief of staff. Jordan is President Carter's long-time political aide. The President's Press Secretary Jody Powell disclosed to a number of selected reporters that Jordan's authority and responsibility have been broadened to a significant degree. He added that the decision was made to improve "coordination and efficiency in the White House and between the White House and the Cabinet."

The press secretary stressed today the continuity of the policies of the administration and the orderly transfer of duties in the course of the Cabinet changes. He expected further changes would be announced but this stage of Cabinet changes would be completed by the end of this week when the President will retreat again to Camp David.

A White House official indicated to the XINHUA correspondents that the present changes do not affect foreign policy issues and State Secretary Cyrus Vance, Defence Secretary Harold Brown and National Security Adviser Brzezinski's posts are secure. He confirmed that an evaluation process on personnel is going on involving the middle level of staff aides in the White House.

RENMIN RIBAO COMMENTS ON U.S. POLITICAL SITUATION

OW260558 Beijing Domestic Service in Mandarin 0400 GMT 26 Jul 79 OW

[RENMIN RIBAO international short commentary: "The U.S. Political Situation"]

[Text] The recent developments in the U.S. political situation have aroused people's attention. Following President Carter's 15 July nationwide television speech on the energy issue, the entire Cabinet resigned on 17 July. President Carter then made a major reshuffle of his Cabinet, replacing the energy, treasury, transportation and two other secretaries. Collective Cabinet resignation when a President is still in office is unprecedented in U. S. history. This shocking event reflects to a certain degree the current difficult condition the Carter administration has landed itself in.

The U.S. Government is now encountering many knotty problems at home and abroad. Internationally, the increasing pressure applied by the Soviet Union has weakened the U.S. strategic position. Aside from signing the SALT II treaty, the summit conference between the United States and the Soviet Union in Vienna failed to make any progress in solving a series of international issues which directly bear on the interests of the two countries. Now the SALT II treaty is being debated by the U.S. Senate, and it is difficult to tell whether the treaty can be approved.

Furthermore, the basic trend of fierce contention between the Soviet Union and the United States is still unfavorable to the United States. This has resulted in the decline of President Carter's prestige at home. U.S. domestic problems have also been piled up unceasingly. In view of the major problems, in addition to the increasingly serious inflation which has become more difficult to handle, economic recession is also unavoidable. The serious shortage of energy resources is the most prominent, difficult current problem, one which will lead to social turbulence, dissatisfaction among the people and a decline of the government's reputation.

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President Carter recently admitted that the energy crisis clearly represents a current danger to the United States and that efforts should be made to work out a solution. All these problems have put tremendous pressure on the Carter administration. This is because the 1980 general elections are approaching, and whether Carter can be reelected will depend on whether he is capable of dealing with all these problems.

In order to find the answers, Carter immediately held a high-level conference and conducted emergency consultations at Camp David right after he came home from the Tokyo summit conference. Immediately following the conference, he made a speech on energy problems, emphatically calling on the people to restore their confidence and trust in the United States and join their efforts to win the energy battle. He also put forward a six-point plan to solve energy problems and decided to reshuffle the Cabinet.

U.S. public opinion points out: All this reflects the urgency and seriousness of the situation; it also reflects the government's worry and uneasiness over the situation. As for the disciplinary action taken by Carter to reshuffle the Cabinet, it has won both praise and condemnation.

The situation indicates that the difficulties facing the Carter administration are closely connected with the political, economic and strategic situation in the world. Whether he can adopt a more effective policy and withstand the considerably severe tests remains to be seen.

U.S. ELECTRONICS SPECIALISTS ATTEND MEETING

OW211254 Beijing XINHUA in English 1241 GMT 21 Jul 79 OW

[Text] Dalian, July 21 (XINHUA)--Fifteen U.S. electronic specialists flew into Dalian, a seaside city on the Liaoning peninsula, to attend the second general convention of the Chinese Institute of Electronics (CIE) at the invitation of the CIE.

Timothy Trick, professor of electrical engineering at the University of Illinois and 1979 president of the Circuits and Systems Society of the Institute of Electrical and Electronic Engineers (IEEE), is head of the visiting group.

The U.S. specialists are to present 15 papers at the meeting of the CIE and also have discussions with the Chinese scientists on such subjects as computer aided circuit analysis as a new design tool, analogue and digital filtering in multiplex communications systems, advanced design techniques for microwave solid state amplifiers and the brusselator--a biochemical nonlinear oscillator.

Liu Ying, president of the CIE, is presiding over the meeting which opened on July 15.

Sun Junren, vice-president and secretary general of the CIE, pointed out in his work report to the convention that exchanges in the field of electronics have increased between China and the United States since the establishment of diplomatic relations. He noted that the CIE has established ties with 20 countries, including Australia, Canada, France, the Federal Republic of Germany, Japan, Malaysia, Switzerland, Thailand, the United Kingdom and the United States.

Since 1973, some 700 foreign scientists, engineers and professors have visited China and about 500 CIE members have visited foreign countries.

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It is of prime importance, said Sun Junren, to speed the growth of the electronics industry as well as basic research in the subject in order to meet the demands of China's modernization drive. He said that in order to narrow the gap between electronics in China and the best international standards, efforts must be made to increase, in a more systematic way, contacts and exchanges with foreign scientific and research organizations, universities and electronics societies.

Sun Junren also pointed out that attention must be paid to making contacts and having exchanges with Taiwan electronics specialists and those in Hong Kong and Macao and among Overseas Chinese. It was decided at the present meeting to reserve seats on the CIE Council for members from Taiwan province.

Among the 350 people attending the convention are China's top electronic specialists, professors, engineers and outstanding technicians as well as leading officials in charge of this new branch of science and technology. Sixty papers have been read at the meeting.

The Chinese Institute of Electronics was founded in 1962. This second general convention is to close on July 23.

TAN ZHENLIN MEETS U.S. FRIENDSHIP DELEGATION

OW251614 Beijing XINHUA in English 1505 GMT 25 Jul 79 OW

[Text] Beijing, July 25 (XINHUA)--Tan Zhenlin, vice-chairman of the Standing Committee of the National People's Congress, this afternoon met with a U.S.-China relation tour group led by Margaret Soong.

The group was organized by the U.S.-China People's Friendship Association. Its 17 members include lawyers, professors, teachers, businessmen and people from religious circles.

Before the establishment of Sino-U.S. diplomatic relations the members of this group made outstanding contributions to the normalization of bilateral relations. Since then, they have continued to enhance relations between the two countries in the cultural, educational, scientific and technical fields and trade.

Present on the occasion were Hou Tong, vice-president of the Chinese People's Association for Friendship With Foreign Countries, and Han X, director of the American and Oceanian Affairs Department of the Foreign Ministry.

Arriving in Beijing on July 21 after visiting south and northeast China, the group are guests of the Chinese People's Association for Friendship With Foreign Countries.

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NORTHEAST ASIA

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PENG CHONG HOLDS BANQUET TO WELCOME KWP DELEGATION

OW250536 Shanghai City Service in Mandarin 2300 GMT 24 Jul 79 OW

[Text] According to a station report, Peng Chong, member of the Political Bureau of the CCP Central Committee and first secretary of the Shanghai Municipal CCP Committee, held a banquet at noon on 24 July to welcome the visiting KWP friendship delegation led by Kim Hwan, member of the KWP Political Committee and secretary of the Central Committee.

In a warm atmosphere, Comrade Peng Chong and delegation leader Kim Hwan drank toasts one after another to the everlasting friendship between the two parties and peoples of China and Korea. Attending the banquet were Xia Zhengnong, secretary of the Shanghai Municipal CCP Committee, and Qiao Shi, deputy director of the International Liaison Department of the CCP Central Committee. The KWP friendship delegation left Shanghai for Beijing on the afternoon of 24 July. Seeing the delegation off at the airport were Xia Zhengnong and other comrades.

KWP Meeting With Hua Guofeng

OW251618 Beijing XINHUA in English 1608 GMT 25 Jul 79 OW

[Text] Beijing, July 25 (XINHUA)--Hua Guofeng, chairman of the Central Committee of the Communist Party of China and premier of the State Council, this afternoon met with the friendship delegation from the Korean Workers' Party led by Kim Hwan, member of the Political Committee and secretary of the Central Committee of the Korean Workers' Party.

During their meeting, Chairman Hua had a cordial conversation with delegation leader Kim Hwan, deputy leader Cho Yong-guk and Korean Ambassador to China Chon Myong-su. Comrade Hua Guofeng said: "Relations between the two parties and countries of China and Korea are very close. We have always learned from and helped each other in the course of struggle." He asked Comrade Kim Hwan to convey the greetings of the leading comrades of the party Central Committee and himself to President Kim Il-song. Comrade Kim Hwan conveyed President Kim's best wishes to Chairman Hua.

After the meeting Chairman Hua hosted a banquet in honour of the Korean comrades. Present on the occasion were Geng Biao, member of the Political Bureau of the C.P.C. Central Committee and vice-premier of the State Council; Ji Pengfei, vice-chairman of the Standing Committee of the National People's Congress and head of the International Liaison Department of the C.P.C. Central Committee; Qiao Shi, deputy head of the International Liaison Department of the C.P.C. Central Committee; and Lu Zhixian, Chinese ambassador to the Democratic People's Republic of Korea. The delegation returned to Beijing yesterday after visiting the cities of Kunming, Hangzhou and Shanghai.

BRIEFS

ANCIENT JAPANESE SCHOLAR--Xian, July 2--A ceremony unveiling a cenotaph commemorating Abeno Nakamaro, a Japanese scholar who dedicated his whole life to promoting cultural exchanges between China and Japan over 1,200 years ago, was held here yesterday. Attending the ceremony was a friendship delegation from Nara City, Japan, led by Mayor Chuzaburo Kagida and leading members of the Xian City Revolutionary Committee. Abeno Nakamaro was born in 698 in Nara. In 719 he came to study in Changsha (now Xian). Later he became an official of the Tang Dynasty and forged deep friendships with the well-known poets Li Be (Li Bo) and Wang Wei. He died in Changan in 770. Together with Japanese envoys and students, he contributed much to relations between China and Japan and to cultural exchange between the two countries. Mayor Kagida and his party arrived here on June 28. On June 30 they attended a ceremony renaming a people's commune the "Xian-Nara Friendship People's Commune." They also toured places of historical interest and scenic spots.
[Text] [Beijing XINHUA in English 1728 GMT 2 Jul 79 OW]

KAMPUCHEAN REVOLTS AGAINST SRV OCCUPIERS REPORTED

OW260852 Beijing XINHUA in English 0835 GMT 26 Jul 79 OW

[Text] Beijing, July 26 (XINHUA)--Over 100 Kampuchean civilians and members of the puppet self-defence corps in the Vietnamese-occupied Tham Kak District, Takeo Province, came over to the liberated area on July 8 after killing 30 of the enemy troops on Highway Three with the support of local guerrillas.

On July 4, many Vietnamese aggressors stationed in seven villages of Chhouk District, Kampot Province, were killed when the local people revolted against them. In mid-June, a platoon of the puppet army clashed with the Vietnamese aggressors in Sangke, Battambang Province, killing six of them and then came over to the guerrilla base area. Another six Vietnamese aggressors were killed when a self-defence corps attacked the Vietnamese troops in Baray District, Kompong Thom Province.

MALAYSIAN MINISTER ON REFUGEES, NONALIGNED SUMMIT

OW251628 Beijing XINHUA in English 1618 GMT 25 Jul 79 OW

[Text] Beijing, July 25 (XINHUA)--Malaysia will raise the Indochinese refugee problem at the forthcoming non-aligned summit in Havana, Malaysian Foreign Minister Tengku Ahmad Rithauddeen told reporters yesterday after sending off Cuban Special Envoy Flavio Bravo Pardo at the Kuala Lumpur International Airport, according to Western news agency reports from Kuala Lumpur. Bravo visited Malaysia from July 20 to 24.

He stressed: "The problem is, after all, part and parcel of the situation in Southeast Asia which is an item on the summit agenda." Malaysia would also express concern over the continued conflict in Kampuchea and its fears of possible adverse effects on other countries in the region. "We will also participate constructively in discussions on economic matters and international issues," the Malaysian foreign minister added.

GENG BIAO MEETS FORMER AUSTRALIAN PRIME MINISTER MCMAHON

OW250814 Beijing XINHUA in English 0719 GMT 25 Jul 79 OW

[Text] Beijing, July 25 (XINHUA)--Chinese Vice-Premier Geng Biao met with former Australian Prime Minister Sir William McMahon and Lady McMahon here this morning.

Sir William was Australian prime minister in 1971 and 1972. He visited China twice before. During the meeting today, Vice-Premier Geng Biao had a friendly conversation with Sir William on the current situation of China's economy and on a number of international issues. Present for the occasion were Ke Bonian, vice-president of the Chinese People's Institute of Foreign Affairs, and C.G. Woodard, Australian ambassador to China. Sir William and Lady McMahon arrived in Beijing on July 23.

BRIEFS

FETES FOR WBF LEADER--Hangzhou, June 15--Yu Buxue, vice-minister of the Chinese Physical Culture and Sports Commission, gave a banquet at noon today in honour of Dawee Chullasapaya, vice-prime minister of Thailand and president of the World Badminton Federation [WBF], and Henry Y.T. Fok, honorary president of the WBF, and Mrs. Fok. Present were Wilibard Kente, vice-president of the WBF, Timothy Fok, honorary treasurer, Phiensaksasathikul, honorary assistant secretary-general, Sarfraz Ahmad and Lee Kin Tat, council members of the WBF. Also present at the banquet were Wang Fang, vice-chairman of the revolutionary committee of Zhejiang Province and chairman of the Championship Organizing Committee and Zhu Ze, president of the Chinese Badminton Association and vice-chairman of the organizing committee. [Text] [Beijing XINHUA in English 1505 GMT 15 Jun 79 OW]

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

G 1

YE JIANYING GREET'S EUROPEAN PARLIAMENT CHAIRMAN

OW251709 Beijing in English to Europe 2030 GMT 24 Jul 79 OW

[Text] Chairman Ye Jianying of the Chinese National People's Congress Standing Committee sent a message on Monday to Madame Simone Veil, president of the European Parliament, extending his sincere congratulations on her assuming office of president of the European Parliament. The message expressed the hope that the amicable relations between China and the European Economic Community would develop daily and the cause of European unity would make steady progress.

BELGIAN GROUPS URGE CUTOFF OF AID TO SRV

OW211224 Beijing XINHUA in English 1210 GMT 21 Jul 79 OW

[Text] Brussels, July 20 (XINHUA)--While the international conference on the refugee problem is in session, a number of mass organizations here call on the Belgian Government to stop all aid to Vietnam and to use the aid to assist the refugees.

The demand was made by a delegation composed of the Belgian Anti-Imperialist League, the Vietnamese Organization of Culture and Social Progress in Belgium and All Power to Workers (AMADA). In an interview with Belgian Minister of Development Cooperation Marc Eyskens, the delegation stated, "All aid to Vietnam is an aid to a policy of aggression." During the interview, the delegation vehemently condemned the Hanoi authorities for forcing out refugees, and demanded an immediate end to the genocide and the policy of oppressing the minority nationalities, a stop to the bellicose policy and the immediate withdrawal of Vietnamese troops from Kampuchea and Laos. The delegation also urged the Soviet Union to retreat all military installations from Vietnam. The Belgian minister said Vietnam is organizing a flourishing trade in human life and has become a threat to the whole of Southeast Asia.

The Vietnamese Organization of Culture and Social Progress noted that even with more rice produced with assistance Vietnam would pay the military debts owed to the Soviet Union and that rubles thus produced would also go to that country.

BRIEFS

NORWEGIAN ART PERFORMANCE--Beijing, 28 June--The visiting Norwegian chorus and corps ensemble gave a performance here this evening before an appreciative audience of more than 1,000. The Norwegian artists arrived in Beijing from Shanghai yesterday afternoon. Following their arrival in China on June 12 they have toured factories, rural people's communes, schools, hospitals, kindergartens, children's palaces and parks in Changsha, Shaoshan, Nanchang and Shanghai. Eivind Reiersen, manager of the ensemble, said that these wide contacts with the Chinese people had created deep impressions on the Norwegian artists. He hoped that China would accomplish the four modernizations at an early date. Attending this evening's performance were Zhou Weizhi and Zhou Erfu, vice ministers of culture; Lin Lin, vice president of the Chinese People's Association for Friendship With Foreign Countries; and Lu Ji, a leading member of the Union of Chinese Musicians. [Beijing XINHUA in English 1632 GMT 28 Jun 79 OW]

TURKISH PERSONALITY--Beijing, June 16--Chinese Vice-Minister of Foreign Affairs He Ying met and had a cordial conversation here this afternoon with noted Turkish personality Vedat Dalokay and his wife. They arrived in China on June 7 for a friendship visit as the guests of the Chinese People's Association for Friendship With Foreign Countries. [Text] [Beijing XINHUA in English 1648 GMT 16 Jun 79 OW]

PRC-AIDED WATER PROJECT COMPLETED IN SOMALIA

OW251446 Beijing XINHUA in English 1220 GMT 25 Jul 79 OW

[Text] Mogadishu, July 24 (XINHUA correspondent Li Jenyi)--The completion of a clean-water service comes as a great boom to the 30,000 people living in Baidoa, 240 kilometres west of Mogadishu. The project, constructed with China's assistance, is now supplying them with 1,000 tons of water a day. They are served from ten pumps, erected in various parts of this beautiful city for the convenience of the residents.

On the day the city-wide supply was turned on, there was much joyful acclamation with repeated shouts of "China, water". To the people of Somalia, the waterworks are a symbol of friendship between the two countries concerned. The city was originally named Ischia Baidoa, meaning "the eye of spring", because spring water flowed through the area. It is situated 460 metres above sea level, and is located in a limestone area honey-combed with caves and underground springs. Lack of a supply installation caused the residents of this "city of springs" to suffer serious water shortage year after year.

In 1913, the Italian colonialists, then in authority, dug a canal to catch the water which gushed between the limestone crevices. It was reserved for the free use of the officials and rich people, but the ordinary people were compelled to pay for it or seek water elsewhere. Whenever there was a drought, the springs dried up and there was a water famine. This correspondent talked with 70-year-old Mohamed Abdi, who has lived in the city for 50 years. He recalled that during the 1934 dry spell, not a drop of water dripped from the little spring in the city centre, and the residents had to carry water from a spring nearly three kilometres away, which yielded only ten kilogrammes of water every 24 hours. The Italian colonialists charged one Somali shilling for every ten kilogrammes of water. This, of course, meant that poor people had no water.

Somali and China signed an agreement in 1973 to build a water supply service in Baidoa. China sent a well-drilling team to sink wells around the city, thereby increasing the supply of water which flowed from the spring. The actual construction of the water service began on November 1, 1977 and was completed in early July this year. Ali Ibrahim Farak, vice-mayor of Baidoa, said, "Like other Chinese-aid projects, this water service brings much benefit to the Somali people. The Baidoa residents will never forget the friendship of the Chinese people." The aged Mohamed Abdi said, "We shall not have to worry about water any more now that the waterworks built with the aid of our Chinese brothers have been completed."

The completion of the water service embodies the cooperation born of Somali-Chinese friendship. Workers and technicians of both countries worked in close cooperation, putting great energy into the construction. To make the best use of the dry season they continued to work on Sundays in order to get the job done before the rainy spells which prevail in April and May, October and November. They made special arrangements to complete the trench-digging and pipe-laying through farmlands in the dry season, thus ensuring that the farm work could go on during the rainy months. When timing the setting off of explosives, they took great care not to damage the homes or other property of the people. Overcoming the hardships arising from scattered construction sites, the difficulties peculiar to this limestone terrain, the shortage of machinery and the heat of the sun, the Somali and Chinese builders have thereby cemented a deep and growing friendship.

Water System Inauguration, Speeches

OW251448 Beijing XINHUA in English 1238 GMT 25 Jul 79 OW

[Text] Mogadishu, July 24 (XINHUA)--A water supply system built with Chinese assistance in Somalia's Baidoa, 240 km west of Mogadishu, was officially commissioned today.

In their speeches at the inauguration ceremony, both Hussein 'Abd al-Qadir Qasim, Somali minister of minerals and water resources, and Chen Weifan, charge d'affaires ad interim of the Chinese Embassy, praised the friendly cooperation between the two countries and hoped for its further development. The system, with its water coming from springs in the city and wells sunk earlier in the suburbs, has a daily supply capacity of 1,000 tons. Its construction begun in November 1977 was completed in early July this year.

UPPER VOLTA'S ENVOY HOSTS RECEPTION FOR PRC OFFICIALS

OW241540 Beijing XINHUA in English 1517 GMT 24 Jul 79 OW

[Text] Beijing, July 24 (XINHUA)--On behalf of the diplomatic corps in China, Bado Mathieu Guy, Upper Volta ambassador to China, and Mrs. Bado, gave a reception here this evening to thank the Chinese Ministry of Foreign Affairs for arranging their recent tour of Sichuan Province. Among the guests were Huang Hua, Chinese minister of foreign affairs; Han Nianlong, Chang Haifeng and He Ying, vice-ministers of foreign affairs; and Song Zhiguang, assistant foreign minister.

BENIN, SEYCHELLES ISSUE COMMUNIQUE ON INTERNATIONAL AFFAIRS

OW251844 Beijing XINHUA in English 1830 GMT 25 Jul 79 OW

[Text] Cotonou, July 24 (XINHUA)--Benin and Seychelles in their joint communique yesterday "rejected any spurious and neo-colonialist solution in southern Africa".

The communique was published at the end of Seychelles President France Albert Rene's visit to this country from July 21 to 23. The communique says, "The two heads of state consider the elections held in Zimbabwe null and void and the Muzorewa's puppet government as a result of the elections illegitimate."

Turning to the Indian Ocean, the communique says, "The two parties demand the demilitarization of the region, a strategic route which has become a place of confrontation favourable to the big powers." The two parties express their support for the struggle of the Palestine Liberation Organization and condemn Israel's repeated incursions into southern Lebanon. They also pledge support to Korea in its struggle for the peaceful and independent reunification of the country. The communique concludes that the two parties have decided to further strengthen bilateral cooperation in the political, economic, social and cultural fields.

AFRICAN STUDENTS IN BEIJING PROTEST RACIAL VIOLENCE

OW180955 Hong Kong AFP in English 0859 GMT 18 Jul 79 OW

[Text] Beijing, July 18 (AFP)--A hundred African students calling for "an end to racial discrimination in China" held a demonstration in Beijing today to show their discontent over the way they are treated.

They were protesting in particular against recent incidents in Shanghai between Chinese and Third World students. They said they wanted to return to their respective countries as they felt they were being badly treated in China. Flanked by police, the students went to the embassies of Morocco, Sierra Leone and Rwanda to present a petition to the ambassadors of those countries who are the senior members of the African diplomatic corps in China. When the Rwandan ambassador refused to see them they staged a sit-in in front of the embassy.

One of the banners carried by the students said "We Don't Want To Be Covered in Ink", a reference to an incident in which a Malian student in Shanghai had black ink poured over him by Chinese students who said "his skin was too light". Other banners read "We Don't Want To Be Beaten" and "We Want To Go Home", and called for "An End to Racial Discrimination". They said the Chinese authorities should "Stop Slandering Africa". The demonstrators revealed that the ambassadors of their countries had been summoned last night by the Chinese authorities who had asked them to dissuade students from their countries from taking part in today's demonstration. "But we do what we want," they replied.

The rally in Beijing today followed violent incidents in Shanghai when Chinese students scuffled with Third World students, most of them Africans. About 50 students were injured. The Beijing students also recalled incidents in Nanjing in the middle of April which, however, claimed less victims. "After Shanghai and Nanjing, it will soon be our turn to be beaten up", the African students said.

They are heavy-hearted and want to leave China "because we are no longer safe here," they affirmed. They denounced discrimination and insults such as "black devil" to which they were subjected daily, adding that some people, especially children, spat on the ground in front of them. Observers recalled that the Shanghai incidents were sparked off by a shout of "black devils, turn off your music". The demonstrators complained that their living conditions in China were very difficult, with a monthly allowance of 100 yuan (55 U.S. dollars) and "permanent inflation" which is hitting all foreigners here.

DISTURBANCES IN IRANIAN PROVINCE OF KHUZISTAN NOTED

OW171726 Beijing XINHUA in English 1645 GMT 17 Jul 79 OW

[Text] Tehran, July 17 (XINHUA)--An atmosphere of anxiety and fear prevailed in the province of Khuzistan of southern Iran in recent days. According to reports reaching here, five people were executed in Khorramshahr yesterday and the day before yesterday on the charge of being responsible for the explosion of Jameh mosque in the town that killed seven people.

The mosque incident occurred during a memorial ceremony for a revolutionary guard commander killed recently during a demonstration. As the crowd was gathering at the mosque after a demonstration through the city in protest against the killing of the commander and in support of Khuzistan Governor-General Ahmad Madani, a grenade was reportedly tossed into the crowd from a street running behind the mosque. Seven people were killed and over 40 others injured by the blast. Soon after the explosion a number of people were arrested and put on trial immediately at an Islamic revolutionary court in the town. Five were executed. Governor-General Madani disclosed that the execution of several others will follow soon.

Following the incident, the revolutionary guards attacked the home of Aytollah Khaghani, religious leader of the Iranian Arabs, and disarmed the group guarding the house. After searching his house the guards reported they had found a number of Soviet-made Kalashnikov automatic rifles and several hand-grenades, but not Ayatollah Khaghani.

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PRC INTERNATIONAL AFFAIRS
WESTERN HEMISPHERE

J 1

HUA GUOFENG'S MESSAGE ON RECOGNITION OF NICARAGUAN REGIME

OW260748 Beijing XINHUA in English 0735 GMT 26 Jul 79 OW

[Text] Beijing, July 26 (XINHUA)--Hua Guofeng, premier of the State Council of the People's Republic of China, extends China's recognition of and warm congratulations to the National Reconstruction Government of Nicaragua in a message today.

The message reads: "On the occasion when the Nicaraguan people have won victory in their struggle to overthrow the dictatorial Somoza regime, I wish to extend, on behalf of the Chinese Government and people, our warm congratulations to your government and the heroic Nicaraguan people.

"I would like to take this opportunity to inform you of the decision of the Government of the People's Republic of China to recognize the National Reconstruction Government of Nicaragua. I hope the relations between China and Nicaragua and the friendship between the two peoples will develop.

"May the Nicaraguan people, under the leadership of the National Reconstruction Government, win successes in safeguarding state sovereignty and reconstructing the country."

NICARAGUAN GOVERNMENT CONGRATULATED BY FRIENDSHIP GROUP

OW251430 Beijing XINHUA in English 1234 GMT 25 Jul 79 OW

[Text] Beijing, July 25, 1979 (XINHUA)--The Chinese People's Association for Friendship With Foreign Countries has sent a telegram to the Coordinating Committee of Aid to Nicaragua under the National Reconstruction Government of Nicaragua, warmly congratulating the Nicaraguan people on their great victory in the struggle to overthrow the reactionary dictatorial rule of Anastasio Somoza and offering a donation of medicines and milk powder.

The telegram says: "The Chinese people are sincerely glad that the heroic Nicaraguan people, under the leadership of the Front Sandinista for National Liberation and the Junta of the National Reconstruction Government of Nicaragua have won a great victory in their struggle to overthrow the reactionary dictatorial rule of Anastasio Somoza. We hereby extend through you our warm congratulations to the Nicaraguan people.

"The Nicaraguan people, who have a glorious fighting tradition, waged a prolonged and arduous struggle to oppose foreign intervention and the dark rule at home. The Chinese people have always sympathized with and supported the just struggle of the Nicaraguan people. Both China and Nicaragua are developing countries, and the two peoples have long had friendly contacts. We believe that the friendship between our two peoples will witness a new development.

"In view of the losses sustained by the Nicaraguan people in the fighting and in response to your appeal to all countries for aid, our association has decided to donate a consignment of medicines and milk powder which will be delivered to you by air freight as soon as possible."

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ULANHU RECEIVES NEW ARGENTINE AMBASSADOR

OW231356 Beijing XINHUA in English 1211 GMT 23 Jul 79 OW

[Text] Beijing, July 23 (XINHUA)--Paulino Daniel Armando Musacchio, newly-appointed ambassador extraordinary and plenipotentiary of the Republic of Argentina to the People's Republic of China, presented his credentials to Ulanhu, vice-chairman of the Standing Committee of the National People's Congress, here this morning. Present on the occasion was Gong Dafei, Chinese assistant foreign minister. Chinese Foreign Minister Huang Hua met with Ambassador P.D.A. Musacchio on July 21.

CULTURE MINISTRY OFFICIALS ATTEND MEXICAN FILM WEEK

OW241518 Beijing XINHUA in English 1500 GMT 24 Jul 79 OW

[Text] Beijing, July 24 (XINHUA)--A film week of the United States of Mexico was inaugurated at a ceremony at the Capital Theatre here this afternoon.

During the week starting tomorrow, three Mexican colour feature films "Yesenia", "Maria" and "Corazon Salvaje" will be shown in Beijing, Shanghai, Tianjin, Guangzhou, Wuhan, Si'an, Chengdu and Shenyang. The film week is organized by the Chinese Ministry of Culture in accordance with the Sino-Mexican agreement on cultural exchanges. A Chinese film week was held in Mexico in February this year. During the week six Chinese feature films were shown.

Ding Qiao, a leading member of the Cinema Bureau of the Ministry of Culture, and Mrs. Flora Botton Beja, first secretary (cultural) of the Mexican Embassy here, addressed the opening ceremony. Ding Qiao said that the reciprocal film shows between China and Mexico would promote cultural exchange between the two countries and understanding and friendship between the two peoples, including their cinema workers. Mrs. Flora Botton Beja said that it was another channel for enhancing mutual understanding and friendship between the two countries. She expressed the wish that the friendly ties between the two countries would live forever.

Wang Lanxi, vice-minister of culture, and Antonio Duenas Pulido, charge d'affaires ad interim of the Mexican Embassy here, attended the opening ceremony and joined an audience of more than 1,000 people in seeing the film "Yesenia".

HUANG HUA MAKES STATEMENT AT EMBASSY DINNER FOR GUYANA

FL201350 Georgetown GUYANA CHRONICLE in English 14 Jul 79 p 1 FL

[Text] Chinese Foreign Minister Huang Hua has lauded Guyana's role in upholding the "basic principles of the non-aligned movement and the militant unity of the Third World." He was giving a speech at an independence anniversary dinner hosted recently by Guyana's Ambassador to China Comrade John Carter, at the Peking Hotel in China.

Comrade Hua noted that since independence, the Guyanese Government and people under the leadership of Prime Minister Forbes Burnham, have directed their energies to safeguarding national independence and state sovereignty, to developing the national economy and culture, and to "winning many gratifying successes." He added: "In external affairs, Guyana pursues a policy of non-alignment and supports the people of other countries in their just struggle against imperialism and colonialism...."

He also noted that in recent years, the friendly relations and co-operation between Guyana and China have been strengthened and that the visits to China by Comrade Burnham and President Arthur Chung contributed in great measure to the enhancement of mutual understanding and the development of bilateral relations between the two countries.

Earlier, Comrade Carter pointed out that China was currently the focus of world affairs and that a number of countries were competing with each other to enter into trade, financial, economic, cultural and other relations with China. He also referred to China's lessons of pragmatism and its concepts that "practice is the only true norm of truth" and that "every country must follow basic economic laws". He pointed out that the fact that these concepts were now being underlined by China would give validity and currency to the ideas of the more progressive leaders of the Third World. Comrade Carter is at present in Guyana.

VENEZUELAN GROUP SAYS USSR DISRUPTING NONALIGNED MOVEMENT

OW201806 Beijing XINHUA in English 1605 GMT 20 Jul 79 OW

[Text] Caracas, July 19 (XINHUA)--The Soviet social imperialists are attempting to disrupt the non-aligned movement through the service of Vietnam and Cuba, the Venezuelan Council for Solidarity With the Third World Struggle stated in a special article.

Published in the latest issue of the organization's news bulletin, the article says, "The central objective of the non-aligned movement is to formulate an independent line in opposition to the policies of military blocs and alliances designed to divide the world into spheres of influence." The Soviet Union, the article continues, is now trying to impose, through Hanoi, on the non-aligned movement the puppet clique in Phnom Penh propped up by Vietnam after its invasion of Kampuchea as the "legitimate representative" of the Kampuchean people. "This attitude of the Soviet Union and Vietnam constitutes a violation of the principles of the non-aligned movement and also a violation of the principles of non-interference and non-involvement in the internal affairs (of other countries) and of respect for territorial integrity and sovereignty," the article says.

Referring to Cuba, another agent of the Soviet Union within the non-aligned movement, the article says, "Many countries, after confirming Cuban troops' invasion in Africa, have come to know that Cuba is an out-and-out aligned country." The special article concludes by saying that "The interests of the non-aligned countries and of the Soviet social-imperialists are in sharp conflict. Although the Soviet Union, Cuba and Vietnam have launched offensives to sabotage the non-aligned movement and to divert it from its principles, an increasing number of countries are hitting back at this challenge."

SHANGHAI, FOREIGN STUDENTS' CLASH REPORTED

XINHUA Report

OW251536 Beijing XINHUA in English 1519 GMT 25 Jul 79 OW

[Text] Shanghai, July 25 (XINHUA special correspondent)--Things have returned to normal at the Shanghai Textile Engineering Institute where there were clashes between a number of Chinese and foreign students earlier this month.

The foreign students who were evacuated from the institute have returned to the campus. A meeting of friendship and solidarity was held by some foreign and Chinese students at the institute on the evening of July 17. The institute has organized teachers to help the foreign students review their lessons. Those in the graduating class are winding up their final studies, and others are preparing for end-term exams or will take them after the summer vacation.

Altogether 19 foreign and 24 Chinese students, school staff members and police who were injured received medical care and have been discharged from hospital except one foreign student who is being treated for an eye injury.

Embassies of Asian and African countries have given friendly cooperation. Members of 13 embassies came here to investigate and spoke to the students from their own countries. Some recalled with the Chinese authorities concerned that their countries and China were all part of the Third World and were close friends. They said that this friendship was deep rooted and would not be harmed by this unfortunate incident.

The incident started around eleven at night on July 3 in the time when the students were preparing for examinations. Some Chinese students asked some foreign students who lived in the nearby dormitory to tune down the music they were playing. One foreign student instead turned up the volume and this led to a stream of abuse and name-calling on both sides. Two staff members tried to calm things down. Foreign students beat them up and in the quarrels among a growing number of people, one Chinese student was twice stabbed in the back.

The following morning, hundreds of Chinese students of the institute demonstrated on campus and put up posters demanding punishment of the student who had pulled a knife. A few foreign students tore down the posters and the clash escalated, resulting in three injured on both sides. A number of foreign students from other colleges rushed to the textile institute. In the clashes that followed, a few other people were injured on both sides.

In the wake of the outbreak of the incident, the Shanghai Public Security Department dispatched police to prevent Chinese students from attacking the foreign students' dormitory and to protect the foreign students. The institute authorities twice sent food and water to the foreign students' building which was surrounded by Chinese students and called for an ambulance for the injured foreign students. To prevent the situation from getting out of hand, the authorities of the Bureau of Higher Education set out to evacuate the foreign students. But the Chinese students blocked all rescue efforts. In the scuffles that followed, some foreign students, faculty members and police who were trying to protect them were injured.

By nine o'clock on July 5, most of the foreign students had been evacuated from the institute and were accommodated at the Jingshan hostel.

In a XINHUA interview today, a spokesman of the Shanghai Municipal Higher Education Bureau said the event was "unpleasant and regrettable". It should have been possible to restore order and handle the affair properly. "Our failure to take more resolute and effective measures in our initial efforts to disengage the two sides and the refusal of the Chinese students to listen to dissuasions made matters worse," he said.

The spokesman said that the authorities would make serious efforts to handle the problems arising from the incident properly and draw appropriate lessons. Emphasis was on education. Efforts would be made to swiftly restore a friendly and peaceful environment for foreign students in China to study and build their friendship with Chinese students.

As to how similar incidents could be prevented in the future, the spokesman said that Chinese students at the Shanghai Textile Engineering Institute as well as other schools would be given education in internationalism and discipline and quarrelling, fighting, gathering crowds for clashes and anarchism would be criticized.

"We are responsible for the security of foreign students in China and for the protection of their legitimate rights and interests. The majority of foreign students in Shanghai obey the law. But some often provoke incidents after getting drunk, in violation of school discipline and Chinese law. We will also educate the foreign students in university discipline and the law", he said. The spokesman expressed the hope that the foreign students would continue to cooperate with the institute in settling the matter properly and not pay heed to rumours that could spark new quarrels.

"It is the consistent policy of the Chinese Government to enhance friendship and unity with the Third World countries and with the people of all nations. We cherish our friendship with the Third World countries and attach much importance to training students of friendly nations", the spokesman said. "We are grateful to many embassies of Asian and African countries for their friendly help in bringing this incident to a resolution", he said.

ZHONGGUO QINGNIAN Commentary

OW260234 Beijing XINHUA in English 0216 GMT 26 Jul 79 OW

[Text] Beijing, July 26 (XINHUA)--"Unity and Friendship Come First", is the title of a short commentary carried by the CHINA YOUTH NEWS today on the unfortunate incident between Chinese and foreign students at the Shanghai Textile Engineering Institute.

The commentary expresses sympathy for all students and other people injured in this mishap and says: "The Chinese people and youth have always had friendly contacts with the people and youth of all countries, and these friendly relations are gradually expanding in the process of implementing the four modernizations. China has dispatched many students to study abroad and at the same time has accepted and provided favourable conditions for many foreign students to study in China. The Chinese students have always respected them and are friendly and warm towards them, especially toward students from Third World countries. The Chinese and foreign students have been studying and helping each other like brothers. This friendship is most valuable.

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Gloating over this mishap, the authors of a broadcast by Soviet Central Television tried to make use of this incident to sow dissension and compromise China's friendship with the Third World by adding fuel to the flames. This effort is to no avail.

"The people of any country residing in another country should respect the law of that country. The foreign students in China should abide by the regulations of their Chinese schools and by Chinese law. China is a sovereign country and a hospitable one. The acts of law-breaking by individual foreign students, who provoked incidents after getting drunk, insulted women and resorted to violence, are unacceptable.

"Chinese and foreign students should help each other. If anyone violates law and discipline and causes problems, this should be reported to the departments concerned and be dealt with according to law. Reasoned and moderate steps are conducive to a proper settlement, while arbitrary actions and fighting do not help to solve the problem, and will turn a just cause into an unjust one. Such behaviour is incompatible with the civilized, reasonable and internationalist traditions of Chinese youth.

"Now the incident has ended. We can all learn useful lessons from it. We hope that Chinese and foreign students will value unity and friendship, and join hands to make an active contribution to friendly relations between the people and youth of all countries."

JIEFANG RIBAO CARRIES ARTICLE ON CHANGES IN CLASS SITUATION

OW251053 Beijing XINHUA Domestic Service in Chinese 1143 GMT 24 Jul 79 OW

[Report on JIEFANG RIBAO 19 July commentator's article: "Correctly Understand the Fundamental Changes in China's Class Situation"]

[Text] Shanghai, 24 July--The JIEFANG RIBAO commentator's article points out: Whether or not we correctly understand the fundamental changes in China's class situation is of great significance in correctly understanding whether or not we can shift the emphasis of our party's work, correctly comprehend the line and the series of principles and policies at the present stage and consciously implement the guidelines laid down by the second session of the Fifth National People's Congress.

Comrade Hua Guofeng's thesis that in China (except for Taiwan Province) the landlords and the rich peasants have died out and, as a class, the capitalists have ceased to exist, conforms with the actual situation in China. His is a scientific, Marxist analysis. To correctly understand the fundamental changes in China's class situation, it is, first of all, necessary to clearly understand what class is and under what conditions a class dies out. Marxism holds that "the existence of a class is related to the development of production in a specific historical period." It holds: So-called classes are a number of groups. Due to their own social and economic status, one group can seize the labor of another group. In his works "Analysis of the Classes in Chinese Society" and "How To Differentiate the Classes in the Rural Areas," Comrade Mao Zedong also divided people into different classes according to their different economic positions. Judging the actual conditions in China by Marxist criteria in differentiating classes, we can see that as classes, the landlords, rich peasants and capitalists in history have ceased to exist.

The article says: Some comrades feel surprised and fail to understand Comrade Hua Guofeng's thesis on the fundamental changes in China's class situation when they read the "Report on the Work of the Government." In their opinion, there are always changes in exploiting classes such as the landlords, rich peasants and capitalists. This is a metaphysical view.

The reason some of our comrades fail to understand the fundamental changes in China's class situation is that they have been under the influence of the ultraleftist line peddled by Lin Biao and the "gang of four" over a protracted period. To push their ultraleftist line, Lin Biao and the "gang of four" distorted objective facts on the issue of classes and class struggle during the historical period of socialism and made a subjective, idealist appraisal of class forces. It looked as if the struggle between the two classes and the two roads were becoming more and more acute and yet more fierce. That adviser of theirs also wantonly altered Marxist criteria for differentiating classes. He said: A class is not only defined by economics but also by politics and ideology. In socialist society, the major criteria for differentiating classes are one's ideological trend and political attitude, not one's economic status or one's relations to the means of production. Thus, this fallacy greatly confused class relations in socialist society. The pernicious influence of the idealist appraisal of class forces by Lin Biao and the "gang of four" is widespread. A number of our comrades have studied this for many years and acted according to this fallacy for so many years. They always believe that Marxism-Leninism means taking a tight grip on class struggle and that revolution means overthrowing the landlords, rich peasants and capitalists and stepping on them so that they can never stage a comeback. Therefore, when the party Central Committee removed the labels on the landlords and rich peasants who have remolded themselves well and announced that as classes, the landlords, rich peasants and capitalists had ceased to exist, they felt surprised and failed to understand. These comrades of ours must emancipate themselves from the mental shackles imposed on them by the idealist appraisal of class forces made by Lin Biao and the "gang of four."

The article says: The fundamental changes in China's class situation represent a great victory for our party's proletarian policies and for the socialist revolution. Our party's fundamental program in the historical period of socialism is to eliminate the bourgeoisie and all exploiting classes step by step, to use socialism to triumph over capitalism and to realize communism at the end. Undergoing protracted revolutionary struggles, we have finally eliminated the exploiting classes, such as the landlords, rich peasants and capitalists, from the vast land of the motherland by relying on the powerful proletarian dictatorship, the working class and the poor peasants. Is this not an historic victory? The broad masses of workers, peasants, intellectuals and cadres are jubilant over this victory of a historic nature won by our party.

However, some comrades still harbor doubts. They say: Since there are still landlords, rich peasants and capitalists, how can one say that these classes have been eliminated? That they have advanced this question is mainly owing to a lack of necessary knowledge on the dialectical relationship between class elimination and the transformation of men. Comrade Mao Zedong repeatedly pointed out that it was necessary to eliminate exploiting classes and transform men at the same time. Our very purpose of eliminating exploiting classes is not to bodily eliminate the component members of these classes but to gradually transform them into working people who are able to earn their own living. Today we have reformed the overwhelming majority of members of these classes into new people. Therefore, viewing these classes as a whole, they have ceased to exist.

The article says: Having noticed that bank accounts belonging to former capitalists were returned to them and that high wages were once again restored not too long ago, some comrades are under the impression that exploitation by capitalists still exists. They say: How can it be said that, as a class, the capitalists have ceased to exist? We hold that this is owing to a lack of understanding on the party's buying out policy.

The historic task of the dictatorship of the proletariat is to eliminate capitalism and the bourgeoisie. However, there are no restrictions in Marxism as to which forms should be adopted in eliminating capitalist ownership. Keeping close contact with the practice of the Chinese revolution, Comrade Mao Zedong used the universal truth of Marxism to scientifically analyze China's bourgeoisie. He divided it into the bureaucrat-comprador bourgeoisie and the national bourgeoisie. It is possible for us to handle the contradictions between the working class and the national bourgeoisie as we do those among the people themselves. We can adopt democratic methods and the buying-out policy to gradually guide the national bourgeoisie along the path of socialist transformation and ultimately achieve the goal of eliminating this class and reforming the people who belong to it.

After recalling the series of correct policies adopted by our country to eliminate capitalists as a class through the road of peaceful transformation, the article points out: It is true that we have recently returned bank accounts to the capitalists. But most of the returned bank accounts are fixed interest deposits, thus constituting incomes derived from exploitation. However, such deposits were not returned to the capitalists by the state after the payments of fixed interest to the capitalists ceased in 1966. The deposits were those given them by the state before 1966 in accordance with the provisions of the buying-out policy. Therefore, such incomes are lawful income protected by the Constitution. Lin Biao and the "gang of four" confiscated the accounts and property in violation of Comrade Mao Zedong's teaching on adhering to the buying-out policy and the Constitution. How can we countenance such unlawful activities? To maintain the seriousness of our party policies, uphold the dignity of our Constitution and wipe out the evil consequences caused by Lin Biao and the "gang of four," we must resolutely return the bank accounts to the capitalists. By so doing we will be able to take the initiative politically and contribute more to the fundamental interest of the proletariat. With their bank accounts returned to them, the capitalists can spend this money only on matters of daily life. They are not allowed to use this money to exploit others. Therefore, the problem of exploitation no longer exists.

Paying high wages is also part of the buying-out policy. The high wages we paid capitalists in the past encouraged them to transform themselves. After taking into account the historical factors, it is most advisable not to change their wages. Because our national economy is still very backward, our country still rather poor and the wages of the masses of workers still at a very low level, some comrades have not been able to understand the reasons for this worker-capitalist wage disparity. This is understandable. However, as an advanced class with the obligation of emancipating all of mankind, the working class itself should possess the lofty determination to transform society and mankind. Therefore, we must conscientiously safeguard and uphold the policies long advocated by Comrade Mao Zedong and thoroughly understand the essence of these policies.

Elaborating further on how to correctly understand the important significance of the fundamental changes which have taken place in our country's class situation, the article points out: The fundamental change in our country's class situation provides an objective basis on which our party decided to shift the focus of work to socialist modernization. Only by correctly understanding the fundamental change in our country's class situation will it be possible for us to ideologically catch up with this historic turning point of our country at present. Following the changes in our country's class situation and the development of situations at home and abroad, our party's consistent guiding ideology is to rapidly shift the work focus of the whole party to socialist modernization. Why have such changes not yet been realized in our actual life? There are many complicated reasons involved. Our rather impractical estimation of the country's class situation and our mistaken overestimation of the seriousness of class struggle constitute one of the major reasons. As a result, one political movement was launched after another, especially when Lin Biao and the "gang of four" ran wild for exactly 10 years. They regarded class struggle as something overwhelming and above everything else. They also took enemies for comrades and comrades for enemies, confused right and wrong and created class struggle everywhere. They even went so far as to condemn production and construction as something promoting the "theory of productive forces" and to vilify the four modernizations as a "general program" for restoring capitalism. Under such circumstances how could we even talk about shifting the focus of our work? To correctly and practically estimate the class situation, it is necessary for us to review the important experiences and lessons which we must learn from the past.

In conclusion, the article stressed that correctly understanding the fundamental change in our country's class situation is the prerequisite for correctly understanding and handling the question of class struggle in our country now. The article also analyzed some current characteristics of our country's class struggle and pointed out that in dealing with the two tendencies we should not only oppose the theory of the dying out of class struggle but also oppose the magnification of the class struggle.

FURTHER REPORT ON NATIONAL INDUSTRIAL, COMMUNICATIONS CONFERENCE

OW251942 Beijing Domestic Service in Chinese 1319 GMT 24 Jul 79 OW

[Excerpts] Chengdu, 24 July--In the National Working Conference of Industrial and Communications Enterprises on Increasing Production and Practicing Economy held by the State Council in Chengdu, details were basically determined for this year's plan for increasing production and practicing economy by the industrial and communications enterprises throughout the country. Through full study, discussions and calculations, the conference held that it is an entirely attainable target for the industrial front to realize an 8 percent increase in industrial output this year by further arousing all workers and staff to promote the movement to increase production and practice economy.

The relatively slow growth of industrial output during the first half of this year makes it necessary to expand great effort in the second half of the year in order to insure the fulfillment of the state plan for the whole year. The plan for increased production initially decided on in the conference calls for an increase of about 2 hundred million yuan in output value over the original plan.

According to the plan decided in the conference, the textile, light industrial, electronic and handicraft products and construction materials to be increased this year, in order to meet the daily needs of the people in both town and country, include the following: cotton, woolen and silk textiles, chemical fibers, bicycles, sewing machines, cigarettes, wine, clocks and watches, powdered detergents, leather shoes, furniture, television sets, recorders, electric turntables, pocket-size electronic calculators, electric refrigerators, electric fans, cement and plate glass. The increased production of these daily necessities calls for a corresponding increase in such means of production as rolled steel, pig iron, nonferrous metals, coal and electricity.

In their discussions the delegates were unanimous in holding that in increasing production, we must not simply strive for output value and that we must fulfill the plan for output value by fulfilling the production of specific products. Increased production must be achieved on the basis of raised quality, increased variety and lowered consumption of energy and raw materials. We must never assign our enterprises meaningless quotas of output value only. At the same time, neither should we go for the production of low-quality but high-priced products, to avoid accumulating the inventory while continuing production.

The delegates also noted that many actual difficulties remain to be overcome in order to fulfill the state plan for this year. In particular, the short supplies of electricity, coal and oil must be resolved. The conference held that we must not pin our hopes for an increase in productivity this year on an increased supply of electricity, coal and oil. On the contrary, for the next 2 years we must pin our hopes mainly on our efforts to conserve energy. We must vigorously raise the rate of energy utilization. The fact that the indexes of our consumption of energy and raw materials are very high means that there is a great potential for us to increase production and practice economy.

The conference especially stressed that, for the purpose of raising the rate of energy utilization, it is necessary to make great efforts in utilizing residual heat. It decided to make the use of residual heat, particularly in generating electricity, a key task for the whole country during the second half of the year in tapping potential and carrying out innovations and renovations.

The delegates laid very great stress on the need to enhance the coordination between industry and commerce and between industry and trade so as to insure the smooth operation of the economic work.

In summing up the conference, Vice Premier Kang Shien noted that this year's state plan and financial budget were discussed, adopted and made public by the NPC for the first time in nearly 20 years. In addition, this year is the first for the whole party to shift the emphasis of its work to production and construction and represents the first battle for the 3-year readjustment. Whether this year's plan will be fulfilled or not will have a great impact on the situation both at home and abroad. Only 5 months are left in the year. Time is pressing and the tasks are heavy. We should no longer convey the guidelines of this conference from one level to another for the purpose of implementation, but should instead convey the guidelines all the way down to the masses for them to know the guidelines directly.

We must first make sure that the targets for increasing production and practicing economy and other tasks set forth by this conference are implemented by the enterprises and that our work is done where it counts. It is necessary to make the cadres and masses all understand the great significance of the movement to increase production and practice economy. Leading cadres must immediately go deep into the forefront of production to conduct investigation and study, grasp typical examples and help solve problems arising from actual work.

The State Economic Commission has decided to act in coordination with the departments concerned to go to the various localities beginning in August to help solve their problems.

The conference was opened on 10 July and concluded on 23 July. It was attended by the responsible comrades in charge of industry and communications in the various provinces, municipalities and autonomous regions and responsible comrades of the departments concerned of the central authorities. The conference was presided over by Vice Premier Kang Shien.

STATE-OWNED FACTORIES TO RETAIN PROFIT SHARE

OW251400 Beijing XINHUA in English 1244 GMT 25 Jul 79 OW

[Text] Beijing, July 25 (XINHUA)--A share of the profits made by state-owned factories in China over the previous year will now be retained by the factories, with the rest going to the state. This is apart from money retained by the factories for workers' amenities and bonuses. The State Council has approved this principle proposed at a recent national industrial conference held in Chengdu. The Ministry of Finance will work out detailed guidelines to give effect to the principle, which aims at stimulating factories to improve management. According to the principle, the amount of profits a factory is to make should be higher than the figure for the previous year.

Until now, local industrial departments have retained a part of any profits and only distributed money among the factories under their supervision in case of need.

RENMIN RIBAO DISCUSSES PAY ON COLLECTIVE ENTERPRISES

HK241211 Beijing RENMIN RIBAO in Chinese 18 Jul 79 p 2 HK

[Article by Wu Yuanfu [0702 0337 1381]: "Why Is It That One Cannot Get More Pay by Doing More Work?--first in a series of reports on an investigation of collectively owned enterprises"]

[Excerpts] A problem that has occurred to those who work in collective enterprises is that they cannot expect to get more pay and other benefits than those who work in enterprises owned by the whole people. Commenting on this principle, Comrade Liu Yingjie, party branch secretary of a garment factory in Beijing who has worked in a collective enterprise since 1958, said with feeling: Neighborhood enterprises are generally run by housewives and unemployed people. When these were first started, the participants were paid according to their work on the basis of work points allotted them. Their income was very low, and sometimes no bonuses at all were issued for several months. However, when production picked up and our incomes began to increase, the relevant department stepped in. They arbitrarily laid down the ruling that the pay for those who work in collective enterprises should be lower than for those who work in enterprises owned by the whole people, with the average monthly wage not exceeding 35 yuan.

It is exactly because the stipulation that workers of collective enterprises should be paid less than those of enterprises owned by the whole people that the principle of paying according to work and more pay for more work cannot be applied in any way to collective enterprises. The garment factories at Beixinqiao are neighborhood-run collective enterprises that process garments for retail outlets. Although the two factories are equipped with similar machinery and run on the same scale, for a long time they have produced different results. The output of one of the plants almost doubles that of the other, but the workers of both plants receive the same amount of pay.

Doing more work without getting more pay has seriously inhibited the enthusiasm and creativity of workers. According to a veteran worker of a garment factory, the collective ownership system operates on the principle that collective enterprises assume sole responsibility for their profits or losses and on the principle of paying more for more work. It therefore stimulates the enthusiasm of workers for work. However, as a result of the interference of the ultraleftist line pushed by Lin Biao and the "gang of four," the workers' enthusiasm for work and their efficiency were affected because it made no difference at all how much or how well they did their work. In the final analysis, the trouble is a matter of those holding an "iron rice bowl" and "sharing a big pot of steamed rice." Unless this disturbing mentality is eliminated by all available means, it will be impossible to quicken the pace of achieving the four modernizations.

Cadres assigned to the Beixinjie neighborhood office dealing with enterprise management also expressed dismay over the failure of collective enterprises to implement the principle of paying according to work and more pay for more work. They said: As administrative cadres, we are ready to uphold the principle of paying according to work. However, regulations and orders from above prevent us from doing so.

The PRC's Constitution clearly stipulates that collective enterprises and those owned by the whole people are sectors of the socialist economy. Politically and economically, they should be given the same consideration. In the area of distribution, the principle of paying according to work and more pay for more work must be implemented. Workers in collective enterprises which are profitably run should be allowed to get more pay and other benefits than those working in enterprises owned by the whole people.

LOCAL COMMITTEES PLAN SECOND HALF-YEAR ECONOMIC WORK

OW252209 Beijing XINHUA Domestic Service in Chinese 0120 GMT 25 Jul 79 OW

[Text] Beijing, 25 July--The party and revolutionary committees in Beijing, Hebei, Liaoning, Ningxia, Gansu, Shanghai, Fujian, Henan, Hubei, Hunan, Guangdong, Xizang and other provinces, municipalities and autonomous regions have recently made plans for their tasks for the second half of this year in accordance with the guidelines laid down by the second session of the Fifth NPC.

The party and revolutionary committees in these provinces, municipalities and autonomous regions have stressed that in the second half of this year leading cadres of party and government organizations at various levels should all devote their energies to making readjustments in the national economy. They should mobilize all people to work with one heart and one mind to carry out the policy of readjustment, restructuring, consolidation and improvement, to achieve actual results in industrial and agricultural production, as well as in the work on all fronts, and to fulfill or overfulfill the targets set in this year's national economic plan in order to greet with outstanding achievements the 30th anniversary of the founding of the PRC and to make a good start in the first campaign for socialist modernization.

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All other fields of work should be subordinate to this central task, serve its needs and be carried out around it.

The party and revolutionary committees in these provinces, municipalities and autonomous regions have made plans for their specific tasks for the second half of this year in accordance with the "report on the work of the government" in which Premier Hua Guofeng called for doing 10 things successfully in developing the national economy at present. They have placed special emphasis on doing a good job in current agricultural production and on making every effort to wrest a good harvest this year. At the same time, it is necessary to start drawing up plans for farmland capital construction in accordance with the guidelines of the National Conference on Farmland Capital Construction recently held by the CCP Central Committee and the State Council and to make preparations for bringing a new upsurge in farmland capital construction during the coming winter-spring period.

In making plans for their tasks for the second half of this year, the party and revolutionary committees in these provinces, municipalities and autonomous regions have paid close attention to the movement to increase production and practice economy. They have stressed that it is necessary to adopt resolute measures to extensively carry out this movement, with stress on high output, good quality, variety and low consumption of raw materials, and to strive to increase industrial output considerably this year.

In strengthening finance and trade work, they have called on the departments concerned to have a correct point of view of production, the masses and politics; to vigorously expand buying and selling; to make proper arrangements for the supply of commodities on the markets in both cities and rural areas; to energetically develop financial revenue; to strengthen financial and economic discipline; and to strive to fulfill this year's financial revenue plan.

These party and revolutionary committees have also paid attention to arranging jobs for those seeking employment in cities and towns. In this regard, all localities should open all avenues to employment and vigorously develop enterprises under collective ownership according to local conditions.

The party and revolutionary committees in these provinces, municipalities and autonomous regions have pointed out that the leading members of leading bodies at various levels should continue to make vigorous efforts to implement the party's policies while devoting their main energies to economic work. It is necessary to successfully complete the work left unfinished in the implementation of various policies in order to mobilize all positive factors to achieve the four modernizations.

Strengthening socialist democracy and the socialist legal system is a basic measure to consolidate and develop the political situation of stability and unity and to promote the four modernizations. The party and revolutionary committees in these provinces, municipalities and autonomous regions have pointed out that it is necessary in the second half of this year to extensively publicize among the cadres and masses the seven laws adopted by the second session of the Fifth NPC and to educate them in the laws in an organizational, planned and systematic way. Efforts should be made to bring about an upsurge in studying and publicizing the laws in order to make them known to every family and every person. Judicial and public security departments in some localities have already opened study classes to train backbone cadres for this purpose.

The party and revolutionary committees in the above-mentioned localities have pointed out that the second session of the Fifth NPC stressed uniting and looking forward to work for the four modernizations. This is the desire of the party and the people. All cadres and people should rally ever more closely around the party Central Committee headed by Comrade Hua Guofeng and work hard to speed up the four modernizations.

SMALL POWER STATIONS DEVELOPED IN RURAL AREAS

OW251924 Beijing XINHUA Domestic Service in Chinese 0238 GMT 24 Jul 79 OW

[Newsletter by XINHUA reporters Chen Baolian and Yang Xijwei: "The Bright Future of Power Industry in China's Rural Areas--on Power Generators Installed in 113 Counties With the Generating Capacity of 10,000 Kilowatts Each"]

[Excerpts] Beijing, 23 July--People were attracted by a brief report at the recently held National Conference on Water Conservancy. The report says: By late April of this year, some 88,000 small hydroelectric power stations were built in China with a total generating capacity of 5.38 million kilowatts. Small hydroelectric power stations have been built in 1,500 countries throughout the country. Now 570 countries' power supply mainly derives from the small hydroelectric power stations, each of which in 113 counties is capable of generating more than 10,000 kilowatts. Although the generating capacity of 10,000 kilowatts cannot compare with a large power supply network with a generating capacity of several million kilowatts, it is still quite a remarkable achievement as far as a county is concerned. Among the 113 counties that rank first in building small hydroelectric power stations, the generating capacity of any single county exceeds the 1949 level of Jiangxi, Fujian, Guangxi, Henan and Gansu, or is generally equal to the generating level of Hunan, Anhui, Shaanxi, Yunnan and Nei Monggol at that time.

By utilizing the water resources of Lian Jiang, a tributary of the Bei Jiang, Guangdong Province's Yangshan County has built 170 small hydroelectric power stations with a total generating capacity of 12,000 kilowatts. This small power supply network provided the rural areas with 43.45 million kilowatthours of electricity in 1978. By making full use of the low-priced power supply, the county has built a nitrogenous fertilizer plant capable of producing 10,000 tons of nitrogenous fertilizer annually, a phosphate fertilizer plant capable of producing 10,000 tons of phosphate fertilizer annually, a cement plant capable of producing 40,000 tons of cement annually and a small coal pit capable of producing 55 tons of coal annually. The county's total value of industrial output reached some 40 million yuan in 1978, a more than fivefold increase over the value reached before small power stations were built. Grain output in 1978 was 70 percent higher than 1965.

By using the water resources of Yonglexi River, Zhejiang's Xianju County has established a small power supply network by building 230 small hydroelectric power stations with a total generating capacity of 11,000 kilowatts. The network provides a power supply to the county's towns and communes and 90 percent of the production brigades. Eighty-two electric pumping stations have been built to irrigate 6 million mu of farmland. Even though hydraulic electro-generating was affected by serious drought last year, a total of 18 million kilowatt hours of electricity was still generated. The county's industrial output value reached 48 million yuan, a sevenfold increase over that of the period before the small power stations were built.

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There are some 2,100 counties in our country. How many of them could turn out more than 10,000 kilowatts through hydraulic electro-generation? According to investigations by the water conservancy departments, water resources with an estimated potential of 150 million kilowatts are suitable for the building of medium and small-sized hydroelectric power stations, the conditions are favorable in 1,100 counties for building hydroelectric power stations capable of generating more than 10,000 kilowatts each and some other counties have the potential to install generators at a capacity of 30,000 to 50,000 kilowatts.

While talking to us, a responsible member of the Ministry of Water Conservancy outlined the initial plan for developing small hydroelectric power stations in the future. He pointed out that generating capacity of such stations reached nearly 1 million kilowatts in 1978. At this rate, the figure may reach between 1 million and 1.2 million kilowatts each year in the next 3 years of readjustment. The annual growth of small hydroelectric power stations' generating capacity may reach 1.5 million kilowatts in the 1980's and 2 million kilowatts in the 1990's. By the end of this century, it is possible for each of the 1,100 counties with greater water resources to generate more than 10,000 kilowatts. This shows that there is plenty of room for the development of small hydroelectric power stations.

ECOLOGIST WRITES IN GUANGMING RIBAO ON PRC AGRICULTURE

OW250307 Beijing XINGHUA in English 0246 GMT 25 Jul 79 OW

[Text] Beijing, July 25 (XINHUA)--China should develop its agriculture according to different ecological conditions prevailing and not demand uniformity, says ecologist Hou Xueyu in a leading article published in GUANGMING DAILY today.

Hou Xueyu's article, entitled "Some Suggestions on Developing China's Agriculture", compared China's natural conditions with those of other countries and concluded that China had its advantages and disadvantages and should take its own road to modernization. He held that whether soil was rich or poor depended on the crops planted. From the ecology viewpoint he was against projects like "man-made plains", "terraced paddy fields" and "uniformity in tree-planting" (planting one kind of tree on a mountain). Mountains, water, climate, soil, animals and plants were mutually related and interacted forming an ecosystem. The breaking of one link in this system would cause a series of chain reactions, he said. He called for correct handling of these relations on the basis of the law of development in ecology while planning for agricultural development.

His suggestions are:

One. Pay more attention to the development of China's eastern subtropical zone. There was still a great deal of land in Jiangxi, Hunan, Guangxi and Guangdong that could be reclaimed. Though these pieces of land may well be small, when calculated in total the acreage might be quite spectacular. Rain fall is abundant in these areas and the frost-free period quite lengthy. Two or three crops can be planted a year. At present, it is inappropriate to emphasize migration to the northwest, where grasslands for cattle breeding would be damaged by further settlement and the soil would turn alkaline and tend to become desert.

Two. The northwest should be mainly utilized for cattle breeding. However, research on cash crops suited to the soil there should be also stepped up and these plants should be properly cultivated rather than simply allowed to grow wild. Effort should not be wasted on trying to make cultivable vast tracts of desert.

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Three. Afforestation in the northeast, north China and the northwest should be dealt with differently. In the first stage, efforts should be concentrated on creating a forest belt over the northeast, Nei Monggol, and Ningxia where the farmland and grassland need protection.

An editor's note preceding the article says that leading cadres of the State Scientific and Technological Commission have called on a number of noted agronomists to express their views on how to develop scientific research in agriculture. The paper today publishes Hou Xueyu's article to start off the debate and asks its readers to join in the discussion.

PLA AIR TRANSPORT DIVISION PERFORMS VARIOUS MISSIONS

OW242229 Beijing XINHUA Domestic Service in Chinese 0138 GMT 24 Jul 79 OW

[Excerpts] Beijing, 24 July--The commanders and fighters of an air transport division of the PLA Air Force are actively making contributions to the four modernizations of our motherland. In the first half of 1979, they doubled their total flying hours as compared with the first half of 1978, and flew 2,611 sorties of outstanding flight missions, including airlifts to support the front, cloud seeding, airdrops of supplies for distressed areas and test flights.

In early 1979, the departments concerned forecast possible droughts in 14 provinces and regions, including Nei Monggol, Qinghai, Gansu, Ningxia and Shanxi. Over the past several months, the cloud seeding groups formed by the division have successfully flown planned missions and caused timely rains in some provinces and regions. They have thus supported the struggle to combat droughts and contributed to bumper agricultural harvests.

After the start of the self-defense counterattack against Vietnam, the commanders and fighters of the division shouldered the airlift task in support of the front. They constantly braved storms and flew day and night transport missions to make early deliveries of supplies to army comrades-in-arms.

At that same time, a serious snowstorm was affecting industrial and agricultural production and people's livelihoods in all prefectures of Xizang. A flight detachment of this division immediately flew to the distressed area, endured hardship for 24 days and made a timely airdrop of some 120 tons of relief material to the distressed compatriots of Tibetan nationality.

Li Zhongxiang, deputy chief of staff of a regiment, led some air crews in helping a factory and certain scientific research units test fly an aircraft built in China. He was the commander as well as the test pilot. He and the crew braved danger and hardship, made careful preparations and test flights, and completed the test flight mission ahead of schedule. They have thus contributed to the completion and production of the aircraft.

The Li Xihe crew who assisted in guided missile tests strived to make stable flights and smooth landings no matter how bad the weather and how urgent the mission. Sometimes they had to fly through clouds, make detours around thunderclouds and fly long flight missions. They have outstandingly performed their duties.

JIEFANGJUN BAO REPORT ON LANZHOU PLA UNITS IN COUNTRYSIDE

OW241940 Beijing XINHUA Domestic Service in Chinese 1249 GMT 23 Jul 79 OW

[Text] Beijing, 23 July--JIEFANGJUN BAO today published a news report entitled "Witness the Excellent Situation in the Countryside After the Policies Have Been Implemented."

The report gives an account of how the Lanzhou PLA units' cadres at and above the regimental levels, who were attending theory study classes, combined the study of Marxist theory with making social investigations in the countryside, and effectively helped some rural cadres to clarify their muddled understanding of the party's present policies toward the rural areas.

JIEFANGJUN BAO added an editor's note. The editor's note said: "Some comrades have some misgivings about the party's current policies. Their misgivings have been the result of listening to rumors, repeating what people say and making no serious study and investigations. 'Which problems can you not solve? If you cannot solve a problem, you should investigate its present condition and history! If you make a thorough and all-round investigation of reality, have a clear understanding of the objective reality and constantly move your subjective understanding closer to the objective reality, you will have a better understanding of the party's policies and have greater resolution and consciousness in implementing these policies. After making investigations in the countryside, comrades attending the cadres theory study classes organized by the Lanzhou PLA units have personally witnessed the excellent situation in the countryside and the might of the party's policies. Those comrades who still have misgivings should go out and take a look."

Comrades attending the study classes adopted this method of study in order to cope with the situation in which some comrades had some muddled understanding of the party's current policies. Cadres attending the classes held that social practice was the sole criterion for testing truth, and that the best way to determine whether a policy was right or wrong was to make a thorough investigation of the reality under the guidance of Marxism-Leninism-Mao Zedong thought. So, in the course of study, the students first conscientiously studied Marxism-Leninism-Mao Zedong thought in light of reality, studied the party's current policies on rural areas and criticized the fallacies spread by Lin Biao and the "gang of four" concerning party policies. As a result, the students were able to distinguish between right and wrong in the field of theory. On this basis, the study classes organized some students into nine groups and sent them to make social investigations at four communes, five production brigades, two markets and two purchasing stations near Lanzhou Municipality. Comrades of the groups asked rural cadres to brief them on the current situation. Some visited country fair trade administrative stations, others went to the fields to talk to commune members while joining them in labor and held discussion meetings with them during a break. Still others visited dependents of revolutionary martyrs and servicemen at their homes. After obtaining a great deal of firsthand reports, members of the groups analyzed and studied the reports and then used these reports to answer ideological questions asked by other students.

The 11 students of a PLA unit attending a study class could not understand why landlords and rich peasants could change their class status. To solve this problem, they went three times to the nearby Liuji commune to make investigations. Originally there were 74 landlords and rich peasants in this commune. Through long years of labor transformation, the majority of them had become law-abiding laborers who earned their living by their own labor.

During the recent screening, landlords and rich peasants were recommended by a meeting of old poor peasants and veteran cadres and party members to change their class status, which was discussed and accepted by the masses, examined by the production brigades, verified by the communes and reported to the county authority for approval.

Through the strict screening procedure, 5 persons' class status which had been mistakenly determined was changed, and the other 69 former landlords and rich peasants, with the exception of 4 unreformed ones, were allowed to change their class status. This policy was implemented to the satisfaction of the poor and lower-middle peasants.

An old poor peasant who had been hired as a farm laborer more than 10 years before liberation said: "We poor and lower-middle peasants should have the courage to let them change their class status. It is a good thing to have more positive factors in building socialism."

Those who were allowed to change their class status were very grateful, as were their close relatives. They voiced resolute support for the Communist Party and expressed the determination to always follow the socialist road.

The investigation shows that this policy laid down by the central authorities accords with the basic viewpoint of Marxism-Leninism-Mao Zedong Thought on class struggle in a socialist society and with the actual conditions of class struggle in our country. Thus, it is an entirely correct policy. Those comrades who had had doubts about this policy were educated by these facts, thus enhancing their understanding.

Most students of the study class came from rural areas, and they had quite a few opinions on the rural economic policy, especially on the practice of contracting work groups for jobs. In view of those opinions, the study class organized them to investigate the practice of contracting work groups for jobs at the nearby No. 2 production team of the Gaojiahe Brigade under the Lianhuasi commune. In the spring of last year, this production team organized four specialized work groups and a sideline production group by arranging better and less able-bodied laborers in pairs in accordance with a unified production plan and with the principles of making unified labor arrangements, unified economic account and the unified distribution of income. The income for the members of these groups was calculated according to their actual production, thus arousing commune members' enthusiasm for labor. As a result, an excellent situation occurred in which commune members competed in "turning out for work, becoming advanced laborers and making contributions to the state."

This production team's wheat output this summer increased more than 30,000 jin compared with last year, and the per capita distribution of summer grain was nearly doubled. In the first half of the year, this production team already overfulfilled this year's plan for income from sideline production, averaging 500 yuan for each family. When the "mid-year distribution" was recently made, every family received an income and some families received more than 300 yuan. Since jobs were contracted to work groups, army dependents and families with material difficulties have received adequate care from the production team. This policy has received praise from commune members. After seeing with their own eyes the excellent situation brought about by implementation of this policy, students of the study class had their minds set more at ease.

Owing to the pernicious influence for years of the ultraleftist line of Lin Biao and the "gang of four," some comrades consciously or subconsciously looked at problems from a leftist point of view. As a result, their thinking got into a dead end. For instance, in looking at an economic policy, some comrades thought that it was better to have "equity" as the criterion of the policy. At the mention of developing domestic sideline production and opening village fairs, they regarded this as encouraging capitalism. To enable those comrades to have a correct understanding of the party's policy in this regard, the study class, while guiding them in studying theories, organized them to conduct an investigation of two village fairs.

Since the beginning of this year, the trade at village fairs has been very brisk and there have been plenty of commodities. At a village fair in Chengguan town, more than 5,000 head of pigs and sheep were sold in 1 season alone. The opening of village fairs has made things convenient for the masses and has complemented commerce run by the state and cooperatives. In addition, it has also promoted the development of production.

Students of the study class also made an investigation of the Shaohua and Lianhuasi purchasing stations. In the past, it was a headache for the stations to purchase fresh eggs and pigs: They mobilized the masses and held meetings to fulfill their purchase plans; they sometimes had to rely on administrative orders or made "local policies" to purchase pigs and fresh eggs. They still were unable to fulfill their purchase plans even by doing so. With the implementation of the policy of permitting commune members to carry out legitimate domestic sideline production, peasants' enthusiasm has now been aroused. Some families raise 3 large pigs and more than 20 chickens each and send them to the purchasing station for sale. By the beginning of June, the purchasing stations had already overfulfilled their fresh egg purchase plans for this year. Thus, comrades at the stations said: When the correct policy is implemented, the masses are full of drive and enthusiasm, and there are great prospects for socialist modernization.

From these vivid facts, students of the study class received a highly practical education in the current policy. After conducting the investigation, Xie Yuegao, a deputy section chief of a certain PLA unit, said with deep feeling: "As the masses spoke so highly of the policy, we still had doubts and misgivings about it for fear that it would be a rightist policy. This shows that we were still under the pernicious influence of Lin Biao and the 'gang of four'. Thus, only by completely curing our 'internal injuries' can we think in the same way as the masses do, and have a correct understanding of the party's policies."

MAGAZINE CHINESE WOMEN MARKS ANNIVERSARY

OW250927 Beijing XINHUA Domestic Service in Chinese 1411 GMT 23 Jul 79 OW

[Excerpts] Beijing, 23 July--A tea party was held today at the Great Hall of the People to commemorate the 40th anniversary of the founding of the magazine, CHINESE WOMEN [ZHONGGUO FUNU 0022 0948 1244 1166].

The magazine CHINESE WOMEN was first published in Yanan in June 1939. It was renamed NEW CHINESE WOMEN in Beijing in July 1949. It changed its name to CHINESE WOMEN again in 1956. Comrade Mao Zedong wrote inscriptions and words of encouragement for the magazine on three occasions. In January 1967, under the interference and sabotage of the ultraleft line of Lin Biao and the "gang of four," CHINESE WOMEN was forced to stop publication. After the downfall of the "gang of four," CHINESE WOMEN was reborn and formally resumed publication in July 1978.

Present at the tea party were Kang Keqing, chairman of the National Women's Federation; Zhu Muzhi, deputy director of the Propaganda Department of the CCP Central Committee; Hu Jiwei, editor in chief of RENMIN RIBAO; Yu Guangyuan, vice president of the Chinese Academy of Social Sciences; Chen Hanbo, acting director of the State Publication Bureau; Song Zhenting, dean of education of the CCP Central Committee party school; and responsible persons of press, culture, education, science and technology, theoretical and publishing circles.

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FUJIAN: FUZHOU PEOPLE ENCOURAGED TO BUILD, OWN HOUSES

OW242102 Beijing XINHUA Domestic Service in Chinese 1146 GMT 23 Jul 79 OW

[Excerpts] Beijing, 23 July--The Fuzhou municipal CCP and revolutionary committees encourage people to repair or build their houses with their own money, material and labor. Over the past 2 months, 433 houses with a total floorspace of some 8,000 square meters have been completed. More than 6,000 families are applying for building their own houses, which will cover a total floor space of about 266,000 square meters.

The construction projects financed by the Fuzhou people generally fall into two categories. In the first category, occupants of government housing may expand their living space by putting up a mezzanine floor in an old house or by enlarging it with their own building material and labor. If they obtain their building material, such as timber, from legitimate sources, the housing management department will credit them with the material and labor they have spent, calculated according to prices set by the state. The spending may be deducted from rent. A house repaired or expanded by its occupant still belongs to the housing management department. This category is called "government housing repair with people's help." In the second category, people suffering in a housing shortage may repair their privately-owned house or build a new one. In such a case, the housing management department will supply them with some building material. This is called "private building project with government help." The house repaired or built in this way is owned by the individual who repairs or builds it. He must pay land rent if he has occupied state land with authorization.

There are about 110,000 families living in the urban area of Fuzhou, a medium-sized city. Over the past 10 years, the people's living space has become smaller and smaller owing to the interference and sabotage by the ultraleftist line pushed by Lin Biao and the "gang of four," and owing to constant population growth and the fact that more houses have been torn down than built. The per capita living space in the city, which used to be 6.7 square meters, has dropped to 3.28 square meters. More than 34,000 families in Fuzhou are suffering from a housing shortage.

In order to encourage the people to repair or build houses and properly carry out construction work, the Fuzhou municipal CCP and revolutionary committees are planning to set up people's housing construction companies in various districts. The companies will recruit unemployed persons to work, help the people in repairing and building houses and provide technical assistance. The municipal party committee and revolutionary committee also plan to rebuild old wooden houses in a planned way as of 1980. They have requested the provincial material supply department to set up a specific material account for the people's housing construction project and supply some building material.

XU JIATUN ATTENDS PREVIEW OF JIANGSU LIGHT INDUSTRY EXHIBITION

OW250959 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 23 Jul 79 OW

[Text] An exhibition for the purpose of displaying and marketing new light industry products made in Jiangsu Province, sponsored by the provincial light industry bureau, formally begins on 23 July in the soldiers' club of the Nanjing PLA units. Xu Jiatun, Chu Jiang, Hui Yuyu and Wang Chubin, responsible comrades of the provincial party and revolutionary committees, and the Nanjing municipal party and revolutionary committees, attended the preview of the exhibition.

Since the 3d plenary session of the 11th CCP Central Committee, workers and staff of the light industry front in our province have researched and produced new products as an important part of their efforts to shift the emphasis of work centering on the goal of the four modernizations. They have successfully turned out a number of new products, new varieties and specifications of products, as well as a number of products with new packaging and decorations.

There are over 39,000 items of 722 kinds of products on display at the current exhibition. The exhibition is being held mainly for the purpose of display, but will include sales to an appropriate extent. It is expected that there will be new, big progress in the production of light industrial products through inspecting and learning from each other's work and through soliciting direct comments from customers at the exhibition.

JIANGSU FACTORY ADOPTS NEW COST ACCOUNTING METHOD

OW260804 Beijing XINHUA in English 0740 GMT 26 Jul 79 OW

[Text] Nanjing, July 26 (XINHUA)--A new administrative measure adopted by a workshop at the Nanjing aircraft accessory factory has attracted local and national attention since it was first reported in the press here. The measure, workshop cost accounting, is among the diverse methods now being tried out in some Chinese enterprises as a means of increasing control over production and financial management.

According to conventional practice, workshops in a factory have very little financial independence. They accept orders from factory management (which in turn accepts orders from still higher authorities) and fulfil their production tasks accordingly. Economic gains or losses are not their business.

The rotor plunger workshop at the Nanjing aircraft accessory factory has broken this convention and is now held responsible for its economic gains or losses. In addition to fulfilling production tasks assigned by factory management, the workshop also accepts orders for processing from other factories. It derives its income from both sources, and its expenditure consists of workers' wages, outlay for labour insurance funds, losses incurred by rejects, the cost of materials and power, and other costs of production.

The workshop delivers 85 per cent of its net income or profit to factory management and keeps 15 per cent for use as bonuses and funds for workers' collective amenities. When deficit occurs, it may ask for loans or subsidies from factory management to ensure that the workers' wages are not affected.

Following its adoption of independent cost accounting last March, the workshop reported a 44.6 per cent increase in gross monthly income, a 20 per cent cut in monthly costs of production and a 76.8 per cent increase in monthly bonuses.

Workshop cost accounting has caused the workers to concern themselves with every aspect of production. One half of the workshop's 84 workers fulfilled their semi-annual quotas one month ahead of schedule. The workers are now keen on saving every penny possible--from renovating equipment on their own to turning off unnecessary lights. Now five of the 12 workshops at the Nanjing aircraft accessory factory, which specializes in making hydraulic pumps and motors, have adopted independent cost accounting. The measure is expected to be implemented throughout this 4,000-worker factory later on.

JIANGSU FIGHTS FLOOD CAUSED BY TORRENTIAL RAINSTORM

OW250941 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 23 Jul 79 OW

[Text] On 21 July another rainfall hit everywhere in our province. Heavy rains or torrential rainstorms occurred in Nantong, Yancheng, Yangzhou and Huaiyin prefectures. Counties receiving over 100 mm of precipitation were Rugao, Haian, Rudong, Taixing, Huaian, Huaiyin, Jingjiang, Binhai, Liansui, Xinghua and Dafeng. The torrential rains that fell in Nantong Prefecture were concentrated in areas along both banks of the Tongyang River, the (Juetai) River and the (Bencha) River. Precipitation there was all in excess of 100 mm. The torrential rains caused the rivers to swell and the water in both the Tongyang River and the (Caichang) River rose above the warning level. The rainstorm in these areas was accompanied by a windstorm. Under the force of the violent wind and rainstorm, many houses belonging to commune members and the collectives collapsed. In addition, people and animals were injured. The amount of rainfall in Binhai County, which suffered relatively more serious damage from the rainstorm, reached as high as 115 mm.

As soon as the flood warning sounded, party organizations in all localities immediately mobilized the masses to form shock forces to fight flood and drain the waterlogged fields. Comrade Zhou Ze, secretary of the provincial party committee, traveled to Binhai, Funing and other counties to inspect the results of the disaster. Leaders at all levels in Nantong Prefecture mobilized the cadres and masses overnight following the rainstorm to drain the waterlogged fields, dredge the drainage ditches and clear the water channels at the river dams.

As a result of this overnight struggle, except for some low-lying areas, more than 90 percent of the waterlogged farmlands were drained. The Yancheng prefectural party committee called a meeting of responsible persons from all departments immediately after the rainstorm to hear reports on floods and to study measures to fight them. Four responsible comrades of the prefectural party committee and administrative office personally went to various flood-afflicted areas to assume command in the fight against the disaster.

SHANDONG REVOLUTIONARY COMMITTEE HOLDS PLENARY SESSION

SK251407 Jinan Shandong Provincial Service in Mandarin 2300 GMT 22 Jul 79 SK

[Excerpts] According to station sources, the third plenary session of the Fifth Shandong Provincial Revolutionary Committee was held from 16 to 22 July in Jinan Municipality. The main task of this session is to relay and study the documents of the second session of the Fifth National People's Congress, discuss how to implement them, discuss and arrange our province's work in the next half year and discuss questions concerning convening the second session of the Fifth Shandong Provincial People's Congress.

Attending the session were the chairman of the Shandong Provincial Revolutionary Committee, Bai Rubing, and vice chairmen of the provincial revolutionary committee Qin Hezhen, (Qiang Xiaochu), Gao Qiyun, Li Zichao, Wu Kaizhang, (Gao Ke-qin), (Zhao Feng), Wang Zhongyin, Xu Leijian, Xu Jianchun, (Zhu Qimin) and (Zheng Ziji). Others attending the session as observers were members of the fourth session of the Standing Committee of the Fourth Provincial CPCC Committee, secretaries of various prefectural and municipal party committees, and responsible persons of various provincial departments, committees, offices and bureaus.

Comrade Bai Rubing presided over the session and delivered a speech. Comrade Qin Hezhen reported the principles of the second session of the Fifth National People's Congress and experiences gained by studying them. He also relayed the guidelines of the National Farmland Capital Construction Work Conference, set forth demands on how to implement and study them and suggested arrangements for our work in the next half year.

After confirming the excellent situation in our province in the first half year, the session set forth the following demands on economic work in the next half year:

1. It is necessary to carry out the movement to increase production and economize in agriculture in a deeper and down-to-earth way to insure a bumper autumn harvest this year.
2. The industrial front should continue to thoroughly carry out the movement to increase production and economize, with high output, fine quality, wide variety and low cost as its outstanding features, to unfold the mass socialist labor emulation drive and the movement for making proposals to improve work, to work conscientiously to fulfill the eight major economic indexes in an all-round way, and to quickly improve situations where production is developing slowly. Since our industrial production increased little in the first half year, we have a big task to fulfill the annual state plan in the next half year.
3. It is imperative to reduce the scope of capital construction projects and strive for better economic results of investment. All localities and units must check the projects under construction conscientiously. All projects under construction which are not included in this year's plan must be stopped. Conscientious efforts should be made to check even those projects included in this year's plan, stopping those which should be stopped and carrying out those which should be carried out. We should pay attention to key projects and put them into operation, concentrate our efforts on fighting a war of annihilation, strive to raise the quality of construction work, reduce the cost of construction, make the most of the economic results of the projects and fulfill this year's capital construction plan in an all-round way.
4. It is necessary to broaden sources of income and reduce expenditure vigorously so as to fulfill the financial task.
5. It is imperative to keep the population growth under strict control and do a good job in family planning work. To reduce the population growth rate to 0.8 percent this year is an arduous task for our province.
6. It is necessary to multiply the opportunities for employment and conscientiously do a good job in arranging work for the unemployed. We should learn from the experiences of Beijing and other municipalities in organizing unemployed young people to engage in collective economy and being responsible for their own profits and deficits while following the road of mutual aid and cooperation. We should actively conduct various socialist service activities and find more opportunities for employment.

The session unanimously adopted a resolution on convening the second session of the Fifth Shandong Provincial People's Congress in September this year.

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PEOPLE'S REPUBLIC OF CHINA
NORTH REGION

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TIANJIN CPPCC COMMITTEE PLENARY SESSION OPENS 19 JULY

SK251353 Tianjin City Service in Mandarin 2330 GMT 19 Jul 79 SK

[Text] According to TIANJIN RIBAO, the Fifth Tianjin Municipal CPPCC Committee opened its second plenary session on the morning of 19 July at the Tianjin hostel to sincerely study and implement the spirit of the second plenary sessions of the Fifth National People's Congress and the Fifth National CPPCC Committee, and to further mobilize the various democratic parties, the various mass organizations and patriotic personages from all circles to work with one heart and one mind and pool the wisdom and efforts of the masses in striving to do a good job in readjusting, restructuring, consolidating and improving the national economy, carrying forward socialist democracy, strengthening the socialist legal system, maintaining and developing the political situation of stability and unity, and quickly pushing forward socialist modernization in the municipality.

Personally inspired by the second plenary sessions of the Fifth NPC and the Fifth National CPPCC Committee, which were held not long ago, the municipal CPPCC committee members and representatives from the various circles who participated in the plenary session and attended the session as observers were unperturbed, in high spirits and had unprecedentedly high enthusiasm for making concerted efforts to achieve the four modernizations.

A large number of members braved the rain yesterday morning to come to the session. They are determined to earnestly study and grasp the spirit of the second plenary sessions of the Fifth NPC and the Fifth National CPPCC Committee, to emancipate minds, "to start the machinery" and to actively suggest ways to contribute to achieving socialist modernization.

Attending the session were Yan Dakai, secretary of the Tianjin Municipal CCP Committee; vice chairmen of the municipal CPPCC committee including Zhou Shutao, (Yu Zhijiao), Lu Da, Li Ding, Han Zhen, Zhao Jinsheng, Yang Jianbai, Fan Quan, He Zongqian, Huang Difei, Huang Yusheng and We Tingjiu; and members of the municipal CPPCC committee, totaling 461 persons.

Attending the session as observers were members of the National CPPCC Committee who are staying in Tianjin, responsible persons of the various democratic parties and mass organizations in Tianjin and leading comrades concerned from a number of bureaus of various districts and counties and from higher educational institutions. At the session, (Li Chushen), member of the National CPPCC Committee, made a report to relay the guidelines of the second plenary session of the Fifth NPC and the Fifth National CPPCC Committee. (Li Shujie), member of the National CPPCC committee, gave his personal account of participating in these plenary sessions. The second plenary session of the Fifth Tianjin Municipal CPPCC Committee went on into a group discussion on the afternoon of 19 July.

TIANJIN MUNICIPALITY ESTABLISHES LAW SOCIETY

HK251011 Tianjin Tianjin City Service in Mandarin 1230 GMT 14 Jul 79 HK

[Text] To carry out study on the law and step up publicity of the legal system, Tianjin Municipality recently established a law society.

The purposes of establishing this law society are to unite and organize the people of the municipality who are interested in studying the law and--under the guidance of Marxism-Leninism-Mao Zedong Thought--persist in the principle of linking theory with practice, implement the principle of letting a hundred flowers bloom and a hundred schools of thought contend, enthusiastically carry out study on the law, conduct publicity of the legal system and serve the efforts to strengthen socialist democracy and the legal system, consolidate the dictatorship of the proletariat and insure and facilitate the four modernizations. All circles in society have attached great importance and supported the establishment of the law society. Some 600 people have applied for memberships in it, including political and legal office cadres and people of all circles in society who are interested in the study of law. Wang Zhongfang, director of the General Office of the Propaganda Department of the party Central Committee, deputy secretary general of the Chinese Academy of Social Sciences and concurrently director of the Law Research Institute; (Chen Weidian), of the Chinese Academy of Social Sciences and the Law Research Institute; (Zhao Zhenjiang), of the law faculty of Beijing University; (Yu Shutong), of the Institute of Political Science and Law of Beijing; and other comrades made a special trip to Tianjin and participated in the inaugural meeting of the law society. Delegates from the Propaganda Department of the Tianjin Municipal CCP Committee, municipal federation of the philosophy and social science societies and the concerned district bureaus and units also participated in the meeting.

The meeting approved the regulations for and the list of council directors of the society. Chen Fu was elected chairman of the council of the society and Guo Zhen, Hao Shuanglu, Li Keda and Yang Yukun vice chairmen. Xu Peiyuan was elected secretary general and Lin Xia and Yang Longxi deputy secretaries general. After the society was established, Comrade Wang Zhongfang, all the council directors and the responsible comrades from the municipal political and legal organs held a forum. Comrade Wang Zhongfang introduced the main contents of the seven laws passed at the second session of the Fifth NPC and put forward some subjects for the study of law. From now on, the society will enthusiastically carry out work regarding the study of law and publicity of the legal system.

BRIEFS

HEBEI POWER OUTPUT--The Hebei provincial electric power network prefulfilled the first six months' power generating plan and surpassed the power output of the corresponding period of 1978 by (?4) percent. Power output in the first six months increased by 290 million kilowatt hours over that of the corresponding period of 1978. Good results were achieved in production efficiency--more than 36,000 tons of coal were saved, total power volume of all power stations and plants of the provincial network was lowered by 0.5 percent compared with the volume set by the plan, and more than 32.8 million kilowatt hours of electricity were saved. [Shijiazhuang Hebei Provincial Service in Mandarin 1100 GMT 7 Jul 79 SK]

TIANJIN NATIONAL EXAMINATION--Tianjin Municipality held national unified culture examinations from 7 to 9 July for students of the institutions of higher education, engineering schools and technical schools throughout the municipality. The examinations were given in more than 2,850 testing places where more than 90,000 students of the municipality attended. Due to the correct leadership, all-round arrangement and vigorous assistance from the various trades, the task of giving the national unified culture examination in Tianjin was successfully concluded. Examinations are in the process of being checked. [Tianjin City Service in Mandarin 2330 GMT 9 Jul 79 SK]

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PEOPLE'S REPUBLIC OF CHINA
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GANSU REVOLUTIONARY COMMITTEE ISSUES MANAGEMENT CIRCULAR

SK260852 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 22 Jul 79 SK

[Excerpts] According to station sources, the Gansu Provincial Revolutionary Committee recently issued a circular in an effort to win a victory in the first battle for the four modernizations, calling on all localities, departments and units to continue improving enterprises, particularly through efforts to improve production and management. In an effort to put enterprises in order, the provincial revolutionary committee demanded in the circular that leading bodies be strengthened continuously, that political and ideological education for staff and workers be intensified, and that management be effectively improved. The circular pointed out: The main task at present for consolidating enterprises is to improve management. It is necessary to rapidly establish or perfect systems of administration, production, technique, equipment, materials, labor and finance so as to enable enterprises to become scientific and modernized step by step. To fulfill the task, the main efforts should be concentrated on grasping the following two points:

1. Improve and strengthen various enterprise management systems aiming at raising product quality;
2. Strengthen economic accounting and strive to halt deficits and increase profits.

QINGHAI: CONFERENCE DISCUSSES DEVELOPMENT OF QARHAN SALT LAKE

OW251957 Xining Qinghai Provincial Service in Mandarin 1430 GMT 24 Jul 79 OW

[Excerpts] The scientific research work conference on the multipurpose exploitation of the Qarhan Salt Lake called by the State Scientific and Technological Commission in Xining closed yesterday after 10 days in session.

Those who attended the conference conscientiously followed the guidelines of the 3d plenary session of the 11th CCP Central Committee and discussed and studied questions on the multipurpose exploitation of the Qarhan Salt Lake in accordance with the policy of 3-year adjustment, restructuring, consolidation and improvement of the national economy. The Qarhan Salt Lake is where large proven (?state-owned) economically valuable potassium and magnesium deposits are found. Located in the central-south part of the Qaidam Basin in our province, it covers an area of more than 5,800 square kilometers. Surveys have shown that there are abundant mineral resources such as potassium, sodium, magnesium, [words indistinct] and sulfur in the lake area.

The conference was presided over by Comrade Lin Hua, director of the second bureau of the State Scientific and Technological Commission. Participating in the conference were more than 70 people, representing the State Scientific and Technological Commission, the Ministry of Chemical Industry, the Ministry of Metallurgical Industry, the Ministry of Light Industry, the Ministry of Building Material Industry, the Ministry of Education, the Chinese Academy of Sciences, and leading departments concerned and scientific research and planning organizations of Qinghai Province.

Zhao Haifeng, deputy secretary of the Qinghai Provincial CCP Committee and vice chairman of the provincial revolutionary committee; Ma Wanli, vice chairman of the provincial revolutionary committee; and other responsible comrades attended the conference. Comrade Zhao Haifeng spoke at the conference.

On behalf of the provincial party and revolutionary committees, he expressed greetings and welcome to the comrades who had come from various parts of the motherland to attend the conference.

During the conference, the representatives visited the Qinghai Salt Lake Research Institute of the Chinese Academy of Sciences.

BRIEFS

NEW XINJIANG OILFIELD--Urumqi, 21 July--Newly-built Baikouquan oil area at Xinjiang's Karamay oilfield has completed its first stage project. Thirty new oil wells have been working well since they went into operation on July 1. Baikouquan is one of the key oil areas to be opened in China this year. This area is in the Gobi Desert 70 kilometres northwest of the city of Karamay. When the whole project is complete, the oil area's output of crude oil will reach two thirds of that of Karamay oilfield before 1966. Karamay oilfield is in the northwest of the Junggar Basin and the Gurbantunggut Desert. It was the first oilfield to be built in China after liberation. Before 1962 its output of crude oil accounted for one third of the country's total. In recent years there has been prospecting for oil around the Junggar Basin. [Text] [Beijing XINHUA in English 0140 GMT 21 Jul 79 OW]

XINJIANG ARTIFICIAL RAIN--Since last April, under the unified leadership of the Xinjiang Regional CCP Committee, the region's civil aviation, meteorological and scientific research departments have used aircraft to spread catalysts or used mortars and rockets to launch silver iodide into the sky to make rain in vast areas of six Xinjiang prefectures. More than 10 million mu of farmland and grassland has benefited from this operation and the drought has been relieved to varying degrees. A large-scale rain-making operation was started last year and is being carried out on a larger area with higher effectiveness and accuracy this year. [Urumqi Xinjiang Regional Service in Mandarin 1000 GMT 13 Jul 79 OW]

XINJIANG PREFECTURE ANNIVERSARY--The people of Bortala Mongol Autonomous Prefecture, Xinjiang, held a rally on 13 July to make the 25th founding anniversary of the prefecture. Attending the rally were responsible persons of the prefectural party, government and military organs, CPPCC Committee members, deputies to the people's congress, peasants, herdsmen, soldiers and workers. The rally was presided over by (Zhang Keshun), secretary of the autonomous prefectural CCP committee. (Li Jia), chairman of the autonomous prefectural revolutionary committee who addressed the rally, reviewed the prefecture's achievements over the past 25 years and urged solidarity among the people of all nationalities in order to promote further prosperity. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Jul 79 OW]

XINJIANG FOREST-BELT MEETING--The Xinjiang Uygur Autonomous Region recently held a conference on forest-belt building that was attended by representatives of 56 related organizations throughout Xinjiang. After listening to the reports on the resolutions of several relevant national conferences and visiting some of Xinjiang's forest belts, the representatives discussed and decided on a preliminary plan for Xinjiang's forest-belt building for the period ending in 1985. The plan envisages a comprehensive forest belt in Xinjiang to protect farm and pasture land from droughts, sandstorms, windstorms and other natural disasters and to insure an adequate supply of trees for fuel, timber and fertilizer. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 15 Jul 79 OW]

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